

North Adams-Jerome Public Schools
4555 Knowles Rd.
North Adams, MI 49262
(517) 287-4214

Request for Proposal

Audit Services

For the Year Ending June 30, 2023, 2024 and 2025

March 3, 2023

GENERAL CONDITIONS

The North Adams-Jerome Public School District (NAJPS) is requesting proposals from qualified Certified Public Accounting firms to audit its financial statements for the fiscal years ending June 30, 2023, 2024 and 2025. The district reserves the right to extend the minimum three-year contract an additional two years based on satisfactory performance of audit services.

The following Request for Proposal (RFP) is being provided to you for your consideration. To be considered for this engagement, your firm must meet the qualifications and satisfy the requirements set forth in this RFP.

Completed proposals must be received to Bethney Richardson – Business Office Manager, North Adams-Jerome Public School, 4555 Knowles Rd, North Adams, MI 49262, Phone # 517 689-1703, Fax # 517 287-4722 by 3:00 p.m. on March 13, 2023. Proposals must be submitted in a sealed envelope that is clearly marked “AUDIT PROPOSAL”. Proposals submitted by facsimile will not be accepted, nor will proposals received after 3:00 p.m. on March 13, 2023. Any proposals received after that time will be returned unopened.

Although cost will be an important factor in awarding the contract, the school district is not obligated by any statute or regulation to award the purchase of audit services solely on the basis of cost. Accordingly, the school district reserves the right to evaluate all proposals objectively and subjectively and to accept or reject any or all proposals or portion thereof. Additionally, the district reserves the right to negotiate changes in services with the firm determined to have submitted the proposal that is in the best interest of the district. (See *Method of Evaluating Proposals* on page 11)

It is to be understood this RFP constitutes specifications only for the purpose of receiving proposals for services and does not constitute an agreement for those services. It is further expected that each bidder will read these specifications with care. Failure to provide requested information or meet certain specified conditions may invalidate the proposal(s).

It is the intent of the NAJPS to award this audit proposal for a three (3) year period; however the term of the engagement shall end if the audit contract is violated or if the audit quality is unacceptable.

The information contained herein is believed to be accurate, but is not to be considered in any way as a warranty.

Proposals must contain in writing all terms and conditions of the offer being made. Verbal representations made before or after proposals are submitted will not be considered unless they were made in answer to questions asked by the school district or its representatives.

Audited financial statements for the district for the year ended June 30, 2022 are available upon request.

All questions and correspondence should be directed to Beth Richardson by telephone at (517) 689-1703 or cell 517 425-5508 or by email to bethney.richardson@hillsdale-isd.org. In order to assure consistency of information provided regarding this RFP, contact with the NAJPS's personnel other than Bethney Richardson is discouraged and may be grounds for elimination from the selection process.

WITHDRAWAL OF PROPOSALS:

Proposals shall remain valid for a period of sixty days (60) days after submission. The district will not accept modifications to proposals, except as may be mutually agreed upon following the acceptance of the proposal.

TIME TABLE:

1. Release of RFP on or about March 3, 2023.
2. Proposals due at 3:00 p.m. on Monday, March 13, 2023.
3. Sealed Proposals will be opened at 9:00 a.m. on Tuesday, March 14, 2023
4. Board of Education action on Monday, March 20, 2023.
5. Notification to all firms as soon as possible after March 20, 2023.
6. Preliminary audit work for FYE 2023 to be conducted during the spring/summer of 2023 and at a mutually agreeable time for subsequent year audits.
7. Audit for FYE 2023 to be conducted during the first full week or second week in August 2023 and at a mutually agreeable time in the month of August.
8. Draft Financial Statements to be distributed by October 1th following each fiscal year end.
9. Financial Statements completed for distribution by October 15th following each fiscal year end.
10. Presentation of Financial Statements to the Board of Education in October of each year.

FIRM/AUDITOR QUALIFICATIONS:

- The firm must maintain a sufficient number of professional staff in order to provide adequate technical expertise and depth.
- The firm and the partner assigned to the district must have considerable experience in auditing public school districts within the State of Michigan.
- The auditor is expected to be familiar with the types of policies and procedures school districts follow. (Policies and procedures specific to the NAJPS will be available to the auditor for review.)
- The auditor will provide a profile of the professional staff responsible for the overall management of the audit. The auditor must be fully informed regarding generally accepted accounting principles and auditing procedures including those in the development stages and those identified below under Audit Information - Accounting Basis.
- The firm shall identify the audit manager, field supervisors and other staff who will work on the audit, including staff from other than the local office. Resumes including relevant experience and continuing education for the audit manager, field supervisor(s) and partner in charge of the engagement should be included with the proposal.
- Assurance must be given that during the course of the life of the three-year contract there will be some continuity in the assignment of audit staff. It is to the mutual interest of the district and the audit firm that there are not dramatic changes in audit staff every year.
- The firm's professional staff must be trained specifically in auditing and accounting for public school districts.
- The firm must be actively involved in school financial organizations on a county and state level.
- All assistants must be properly trained and supervised and the work be adequately planned.

- The firm must have an excellent reputation for service in public school district auditing.
- A minimum of \$1,000,000 Errors and Omissions Insurance. (The successful firm will be required to provide the district with a certificate of insurance to verify this coverage.)

AUDIT INFORMATION:

1. Accounting Basis –

- Bulletin 1022 (Revised)
- Public Act 621 of 1978 (Uniform Budgeting)
- Generally Accepted Auditing Standards (GAAS)
- Governmental Accounting Standards (GAS) issued by the Comptroller General of the United States
- OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations”.
- Single Audit Act
- OMB Circular A-102, Section 36 and the Michigan School Accounting Manual
- Any other required Federal, State, cognizant agency, and/or professional standards applicable to this engagement including AICPA.

2. Audit Timeline –

- Audit to commence the first full week or second week in August of each year at such time as mutually agreed upon.
- Audit draft to be delivered by October 1st of each year.
- Audit documents to be delivered to the district by October 15th of each year in order to meet audit deadlines set by the Michigan Department of Education.
- Audit to be presented to the Board of Education in October of each year.

AUDIT REQUIREMENTS:

1. Financial Statements –

Upon completion of the field audit work and final adjustments to the general ledger, the district will assist in the preparation of the Annual Financial Report with Supplementary Information and the Supplementary Information to the Basic Financial Statements (Federal Awards) for the auditor to review and express their opinion.

2. Reporting –

The auditors will include the following information in their report to the Superintendent, Director of Business/Finance, Hillsdale County ISD, and the NAJPS Board of Education.

- Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards.
- Data Collection Form.
- Management Letter Relating to Compliance Issues.
- Audit communication letters to the NAJPS Board of Education.

3. Other Requirements –

- An exit conference with NAJPS representatives and the audit firm's representative will be held at the conclusion of the fieldwork. Observations and recommendations must be summarized in writing and discussed with the NAJPS at that time. It should include internal control and program compliance observations and recommendations.
- Personal presentation of the final report to the Board of Education by an audit manager or partner of the audit firm.
- Assistance in correcting errors and procedural shortcomings identified during the audit.

4. Audit Plan –

The auditor will be required to use a comprehensive audit plan and, to the extent permissible, must be willing to review this plan with the district. The plan should cover the study and evaluation of the internal controls and the test of records to the extent necessary by the degree of such reliance. It is assumed that many of the tests will be conducted by a sampling of the records maintained in the files. It is understood the auditor is responsible for the auditing procedures that in his or her professional judgment must consider the materiality of the audit area, the relation to specific standards and the relation to expressing an opinion on the statements as a whole. District officials should be consulted when such judgments result in a disproportionate amount of effort being expended on a particular subject.

5. Communication –

The auditor will maintain regular contacts and meetings with the NAJPSs Business Manager including but not limited to:

- Engagement planning meeting.

- Progress reports.
- Closing review meeting.
- Changes that would affect the reporting requirements of the school district.
- Sharing of innovative methods and procedures that may warrant district investigation and/or consideration.
- Newsletters or other method of regular communications containing information with specific benefit to school districts.

6. *Numbers of Copies of Auditor's Reports* –

The auditor shall furnish the school district with an electronic copy and fifteen (15) bound copies of the Annual Financial Report with Supplementary Information and Supplementary Information to the Basic Financial Statements (Federal Awards).

7. *Working Paper Retention and access to Working Papers* –

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the NAJPS of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- North Adams-Jerome Public Schools
- Hillsdale County ISD
- State of Michigan and its departments
- U.S. General Accounting Office (GAO)

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

8. *Additional Data* –

Please provide any additional information or data which you feel is relevant and may be helpful in the selection process such as references from current/past school district clients.

DISTRICT INFORMATION:

1. Staffing –

The district employs approximately 60 people: administrators, instructors, department supervisors, and hourly staff including secretaries, clerks, custodians, maintenance personnel, and bus drivers.

The following list represents key personnel involved in the financial operations of the district:

Name	Position
Bruce Caswell	Interim Superintendent
Belinda Shaffer (HISD)	Director of Business /Finance HCISD
Beth Richardson (HISD)	LEA Business Manager
Ralena LoPresto (HISD)	Grant Coordinator
Wendy Thorp	Payroll/Personal Clerk

2. Accounting Software –

The NAJSD utilizes software provided by Skyward, for general ledger, accounts payable, accounts receivable, payroll and personnel functions.

METHOD OF EVALUATING PROPOSALS

Proposals will be evaluated with a strict emphasis on quality. The citizens of the NAJPS expect quality stewardship of all available resources. As such, the primary emphasis of procuring audit services will be the quality of technical factors of the audit firm. Attributes that will be analyzed include, but are not limited to:

- Number of governmental entities audited by the office of the proposing CPA firm.
- Firm governmental resources available.
- Involvement in school related organizations.
- Training of personnel in government and federal grant auditing.
- Quality of staff included in assignment.
- Reference responses.
- Maintenance of a secondary partner on the engagement.
- Internal quality control procedures and external quality control reviews.

After the technical qualities have been evaluated, cost and other considerations will be evaluated. Once all factors have been evaluated, the audit firm that is most qualified and reasonable in cost will be selected for recommendation to the Board of Education.

AUDIT PROPOSAL FORM

Please complete and return this proposal form with any additional information you feel is necessary to help us evaluate your firm. **Proposals are due by 3:00 p.m. on March 13, 2023.**

Requirements

1. Location of the office that will be performing the audit for NAJPS.

2. Number of Michigan school district audits that your firm conducted in each of the last three years. Please attach a list of school districts and the contact person. Please provide a copy of an audit conducted in the last three (3) years for another similar school district.

Year ending June 30, (Year) _____
Year ending June 30, (Year) _____
Year ending June 30, (Year) _____

3. Number of other governmental (fund accounting) audits your firm has conducted in each of the last two years.

Last year _____
Prior year _____

4. Provide a list of your firm’s involvement in school district type organizations, i.e. Legislative and Department of Education Committees, Michigan School Business Officials, Association of School Business Officials, MACPA Committees and include the name of the individuals to the extent possible.

5. Please list specific school district audit training supplied to your staff in the last two years.

6. Number of total audit staff. Do not include tax, consulting services or clerical personnel.

Number of audit staff _____
Number of audit staff with CPA certification _____

7. Number of staff as defined in the question above who were directly involved in a significant portion of the audit of a school district in the last two years.

8. Of your staff assigned to governmental audits, how many years of experience have they had performing school district audits (total and with your firm)?

Staff with highest number of years	School audits _____	with your firm _____
Next staff with highest number of years	School audits _____	with your firm _____
Average number years school audit staff	School audits _____	with your firm _____

9. What type of assistance/consultation do you provide to governmental audit clients on an annual and ongoing basis at no additional cost?

10. Provide a synopsis of other services available to governmental clients with the number of staff specifically assigned to each. List examples of work you have done for various school districts.

12. Fees –

Base audit cost:

For the year ending June 30, 2023	_____
For the year ending June 30, 2024	_____
For the year ending June 30, 2025	_____

Please list hourly rates by Partner, Specialist, and Supervisory and staff level.

Name of Firm: _____

Address: _____

Telephone: _____

(Please type or print) Authorized Representative of the Firm

Title

Signature of Authorized Representative of the Firm

Date